

BOARD OF DIRECTORS

Sol Armel
Donald Carr, Q.C.
William Drevnig
Albert Sherman
Jack Sherman
Mark Vansittart

OFFICERS

William Drevnig – *President*
Albert Sherman – *Vice-President and Secretary*
Sol Armel – *Vice-President and Treasurer*
Jack Sherman – *Vice-President*

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company

AUDITORS

Pape, Strom, Sherman & Lavine

HEAD OFFICE

PENNINGTON'S STORES LIMITED
17 Apex Road
Toronto 390, Ontario
Telephone : 787-4973

File

Pennington's
STORES LIMITED

INTERIM REPORT

for 26 weeks ending
July 5, 1969

To The Shareholders

It is indeed a pleasure to welcome you as shareholders. We will endeavour through these reports to keep you informed of any developments in your company.

Your company was created by the amalgamation of Cotton Town Limited and Sandan Limited on April 7, 1969. The statement of combined earnings presented in this report, reflects the combined earnings of the individual companies from January 6, 1969 to the date of amalgamation, and the earnings of the amalgamated company to July 5, 1969, an overall period of 26 weeks.

We are pleased to report that combined sales for the 26 week period were \$2,965,000, a 17.9% increase over combined sales of \$2,515,000 for the 6 months ended June 30, 1968.

Unaudited earnings, after provision for income taxes amounted to \$253,000 or 25.3¢ per share. Increases in sales and gross profit margins have been general throughout the chain with the most significant increases occurring in the stores located in the larger metropolitan shopping centres.

On the basis of past experience, sales and earnings are generally better in the second half of the year. We feel confident that these increases will continue throughout the second half and will reflect in our overall profit for the year.

Your company opened one new store in February 1969 in Victoria, B.C. and five new stores are scheduled for opening in 1970.

August 1969

William Drevnig
President

Statement of Combined Earnings

(UNAUDITED) FOR TWENTY-SIX (26) WEEKS
ENDING JULY 5, 1969

Sales	<u>\$2,965,000</u>
Earnings from operations before the following charges	\$ 498,000
Depreciation of equipment and amortization of leasehold improvements	\$ 30,000
Income Taxes	\$ 215,000
Net Earnings for the period	<u>\$ 253,000</u>
Net Earnings per share (1,000,000 shares outstanding)	<u>25.3¢</u>